Law Foundation Saskatchewan

PHONE (306) 352-1121 THE LAW FOUNDATION 620-2220-12TH AVENUE
REGINA, SASKATCHEWAN
S4P 0M8

REPORT OF THE LAW FOUNDATION OF SASKATCHEWAN TO THE HONOURABLE THE ATTORNEY GENERAL OF SASKATCHEWAN PURSUANT TO SECTION 50 OF THE LEGAL PROFESSION ACT R.S.S. 1978 AND AMENDMENTS THERETO FOR THE FISCAL YEAR ENDING JUNE 30TH, 1984

I am pleased to file with you the attached Financial Statements of the Law Foundation for the fiscal year ending June 30th, 1984 as audited by Deloitte, Haskins & Sells, Chartered Accountants, being the firm appointed for that purpose by the Benchers of the Law Society of Saskatchewan pursuant to Section 47(7) of The Legal Profession Act and also to report on behalf of the Board of the Law Foundation on the activities of the Foundation for the year.

The Foundation derives its income from interest earned on Lawyers' Mixed Trust Accounts and interest on investments. The interest rates offered to us on Mixed Trust Accounts are approximately 5% below the prevailing prime rates, an arrangement that has existed for the past four years when the terms were negotiated with the Banks. At present, the interest calculations are made on the minimum monthly account balances; it is our intention to ask that the calculations be made on the average monthly balances. The Canadian Association of Law Foundations meets annually and at the Winnipeg meeting, held in August 1984, there was considerable discussion that the terms should be re-negotiated with the Banks in order to provide the Law Foundations with better rates. The Foundation is considering means by which this may be accomplished.

Our total income fell in 1984 to $879,000 compared to $950,000 in 1983 and $1,538,000 in 1982. This reduction was largely due to the prime rate remaining at 11½% in 1983 as well as some decrease in economic activities. For 1985 we do not anticipate an increase in income unless we are successful in negotiating

improved rates with the Banks. In 1981, we established a Reserve Account as a cushion against our declining income. We had to draw-down on the Reserve in 1984 to the extent of $135,000 in order to meet our grant requests. The Reserve Account presently stands at $754,680 as reflected in the Balance Sheet.

The Foundation has an ongoing commitment to the following projects:

1. Law Libraries;
2. Continuing Legal Education;
3. College of Law;
4. Public Legal Education;
5. Law Reform Commission;
6. Canadian Bar Review;
7. Canadian Law Information Council.

The grants to these projects totalled $904,000 in 1984.

The Foundation paid out $1,056,780 and authorized $961,831 (Note "3") in grants for the year. Grants authorized and unpaid at the end of the year totalled $564,400 (Schedule "2"). As a result the balance of the unallocated revenue was $3,447 and the Reserve Account stood at $754,680 as noted above. The administration costs of the Foundation during the past fiscal year were 7.6% of gross income compared to 7.2% in 1983. The day to day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, C.A., of the firm Arscott & Partners, Regina, on a fee for service basis.

The Foundation's continuing annual commitments were to the following programs in the last fiscal year:

Court House Libraries	$400,000
Public Legal Education	220,000
Director of Continuing Legal Education	75,000
Law Reform Commission	60,000
Canadian Law Information Council	15,000
College of Law Development Fund	29,000
College of Law Endowment Fund	100,000
Saskatoon Sexual Assault Centre	5,000
Canadian Bar Review	5,000
Canadian Bar Foundation	7,500
Canadian Institute for the Administration of Justice	3,000
	$919,500

Each of the above organizations has been given notice that our income is decreasing and unless there is a reversal we will have to reduce our annual allotments to these projects in order to operate within our reduced income figure.

The Board met for day-long regular meetings four times during the year. The March meeting was held at the College of Law Saskatoon. In addition, the members held a one-day planning session. D. K. MacPherson, Q.C. and Mr. H. R. Arscott, C.A., attended the August 1984 meeting of the Canadian Law Foundations in Winnipeg. Judge H. M. Ketcheson resigned in March 1984 and was succeeded by Mr. M. deRosenroll.

The members of the Foundation believe they have conscientiously performed their duties and responsibilities in the administering of the Foundation's funds to best serve the people of the Province and that they have and will continue to closely monitor the grant requests in view of our declining income.

For your information, we attach a copy of a notice which the Foundation recently caused to be sent to all practicing members of the Law Society of Saskatchewan.

There is attached a list of persons who are presently members of the Foundation.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at the City of Regina, in the Province of Saskatchewan, this 14th day of Nov. , A.D. 1984.

THE LAW FOUNDATION OF SASKATCHEWAN

Donald K. MacPherson, Q.C.,
Chairman

LAW FOUNDATION MEMBERS

Donald K. MacPherson, Q.C. Regina, Saskatchewan	Appointed by the Law Society of Saskatchewan
Mr. J. Gordon, Wicijowski, F.C.A. Regina, Saskatchewan	Appointed by the Attorney General
M. A. de Rosenroll Regina, Saskatchewan	Appointed by the Attorney General
Mr. D. S. McKercher, Q.C. Saskatoon, Saskatchewan	Appointed by the Law Society of Saskatchewan
Mr. H. H. Dahlem, Q.C. Saskatoon, Saskatchewan	Appointed by the Attorney General
Mr. G. D. Hill, Q.C. Estevan, Saskatchewan	Appointed by the Law Society of Saskatchewan
Dean D. R. Ish Saskatoon, Saskatchewan	Appointed by the Law Society of Saskatchewan

REPORT OF THE LAW FOUNDATION

TO MEMBERS OF THE LAW SOCIETY OF SASKATCHEWAN

NOVEMBER 1984

The members of the Law Foundation have again asked me to report to you on the activities of the Foundation.

I reported to you last year that in 1981, because of high interest rates, the Foundation income was $1,278,000.00 and increased in 1982 to $1.5 million, but dropped in 1983 to $950,000.00. In our fiscal year ending in 1984, the income was $879,000.00 which, fortunately, was somewhat higher than our projection.

In 1984, we reduced our total grants to $962,000.00, and these grants, together with payments in respect of grants previously made, required the Foundation to draw down on its reserve account in the amount of $135,000.00. This leaves our reserve account at $754,680.00.

The significant grants which we approved in 1984 are:

Court House Libraries	$400,000
Director of Continuing Legal Education	75,000
Law Reform Commission	60,000
Public Legal Education	220,000
Canadian Law Information Council	15,000
College of Law Development Fund	29,000
College of Law Endowment Fund	100,000
Saskatoon Sexual Assault Centre	5,000
Canadian Bar Review	5,000
Canadian Bar Foundation	7,500
Canadian Institute for the Administration of Justice	3,000
	$919,500

You will note that about 54% of the Foundation's 1984 income was paid out to Law Libraries and Continuing Legal Education, and that these two projects consume slightly less than 50% of our total grants.

It is impossible to accurately estimate our income because it is so dependent on interest rates and the amounts held from time to time in lawyers' mixed trust accounts. However, we are hopeful that 1985 will not see a further reduction in income so that, by drawing on the reserve to a reasonable extent, we will not be required to significantly reduce the grants to any of our on-going projects, and of course, from your point of view, this applies particularly to Law Libraries and Continuing Legal Education.

The members of the Foundation recognize the importance of the Law Foundation to the practicing profession in this Province, and through the profession, to the people of Saskatchewan generally; and of course, we are cognizant that The Legal Profession Act requires us to expend our funds "for the purposes of legal education, legal research, legal aid, law libraries and law reform".

As you know, our income comes from interest paid on lawyers' mixed trust accounts which are on deposit in the various banking institutions. The banks and other institutions are fairly consistent in paying interest at a rate approximately 5 points below the prime rate, calculated on the minimum monthly balance and paid half yearly. We, along with other law foundations in Canada, are attempting to devise means of convincing the banks to increase both the interest rates and the method of payment of interest, and if any member of the profession can assist us in this effort, it would be much appreciated.

I hope this report will convince you of the need for the Law Foundation to have the full support of all members of the legal profession in Saskatchewan.

Donald K. MacPherson, Q.C., Chairman,
The Law Foundation of Saskatchewan

Deloitte
Haskins+Sells

Chartered Accountants

LAW FOUNDATION

Financial Statements
for fiscal period ended June 30, 1984
and Auditors' Report to the Members

Deloitte
Haskins+Sells

Chartered Accountants

600 Royal Bank Building
2010 - 11th Avenue
Regina, Saskatchewan S4P 0J3

To the Members of the
Law Foundation:

We have examined the balance sheet of the Law Foundation as at June 30, 1984 and the statement of revenue, expenditures, grants and unallocated revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at June 30, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

November 5, 1984

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

BALANCE SHEET

JUNE 30, 1984

(with comparative figures at June 30, 1983)

	1984	1983
ASSETS		
Cash and term deposits	$ 80,732	$ 152,968
Interest receivable from solicitors' trust accounts	45,776	56,528
Investments - at cost - Schedule 1	1,149,200	1,238,003
Accrued interest on investments	47,959	126,244
	$1,323,667	$1,573,743
LIABILITIES		
Accounts payable	$ 1,140	$ -
Grants authorized but not paid (Notes 3 and 4) - Schedule 2	564,400	675,521
Reserve account (Note 2)	754,680	889,680
Unallocated revenue	3,447	8,542
	$1,323,667	$1,573,743

(See accompanying notes to the financial statements)

On behalf of the Foundation

_____ Chairman

_____ Treasurer

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE

YEAR ENDED JUNE 30, 1984

(with comparative figures for the year ended June 30, 1983)

		1984		1983
REVENUE				
Interest from lawyers' mixed trust accounts		$ 716,141		$ 843,120
Interest earned on investments (Note 2)		155,602		107,289
		871,743		950,409
EXPENDITURES				
Administrative				
Foundation members				
- office overhead	$ 8,625		$ 7,470	
- other	5,230		3,444	
Office, postage, stationery, telephone	5,501		4,140	
Office of the Secretary	41,939		47,044	
Professional fees	4,885	66,180	6,446	68,544
EXCESS OF REVENUE OVER EXPENDITURES		805,563		881,865
GRANTS AUTHORIZED IN THE YEAR (Notes 3 and 4) - Schedule 3		961,831		1,195,655
EXCESS OF EXPENDITURES AND GRANTS OVER REVENUE FOR THE YEAR		(156,268)		(313,790)
UNALLOCATED REVENUE BEGINNING OF YEAR		8,542		76,889
		(147,726)		(236,901)
ADD				
Grants not used		16,173		195,443
Allocation from reserve account (Note 2)		135,000		50,000
UNALLOCATED REVENUE END OF YEAR		$ 3,447		$ 8,542

(See accompanying notes to the financial statements)

LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1984

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policy:

Interest

A significant portion of the revenue of the Foundation is interest on trust accounts of the members of the Law Society of Saskatchewan. The Foundation records such interest as revenue on the accrual basis.

Interest on term deposits and investments is recorded on the accrual basis.

2. RESERVE ACCOUNT

The members of the Foundation passed a motion at their meeting of March 1981 to create a Reserve Account from Unallocated Revenue in such amounts as shall be determined from time to time. The Reserve Account will be available in the future as a protection on the funding of ongoing projects against any possible decline in the high interest rates or reduced trust account activity.

The interest on the reserve investments was added to the reserve on a motion passed in September 1982. This was discontinued on a motion passed in June 1983 and as of July 1, 1983, all interest on investments is to be taken into general revenue.

	1984	1983
Balance, beginning of year	$ 889,680	$ 819,049
Add - interest earned on investments	-	120,631
Less - allocated to general revenue	(135,000)	(50,000)
Balance, end of year	$ 754,680	$ 889,680

3. GRANTS AUTHORIZED BUT NOT PAID

Grants authorized but not paid, beginning of year	$ 675,521
Add: Grants authorized in the year payable out of revenue on hand - Schedule 3	961,831
	1,637,352
Deduct: Grants paid during the year	1,056,779
Grants not used	16,173
Grants authorized but not paid, end of year - Schedule 3	$ 564,400

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1984

4. FUTURE COMMITMENTS

A future commitment of $143,000 has been made in grants authorized and payable after June 30, 1984, up to 1989, which will depend on the availability of funds in the future.

SCHEDULE 1

LAW FOUNDATION

SCHEDULE OF INVESTMENTS

JUNE 30, 1984

	Date Due	Interest Rate	Amount
Government of Canada Treasury Bills	03/08/84	11.0 %	$ 40,117
Government of Canada Treasury Bills	10/08/84	11.1 %	99,370
Government of Canada Treasury Bills	09/11/84	11 3/4%	59,713
Toronto-Dominion Term Deposit	11/09/84	10 %	100,000
Guaranty Trust	12/11/84	18 %	75,000
Financial Trust	19/12/84	9 3/4%	60,000
First Western Trust	19/12/84	9 1/2%	40,000
First City Trust	16/07/85	9 5/8%	50,000
Granville Savings & Mortgage	16/07/85	9 3/4%	50,000
Canadian Commercial Bank	31/07/85	10 1/4%	100,000
Canada Permanent Trust	22/12/85	9 7/8%	130,000
First Western Trust	22/12/85	10 %	20,000
Standard Trust	04/07/86	11 3/4%	60,000
Victoria & Grey Trust	04/07/86	11 1/4%	50,000
Columbia Trust	04/07/86	11 1/4%	15,000
Credit Foncier	28/11/86	13 1/4%	60,000
Nova Scotia Savings & Loan	29/12/86	13 %	40,000
Government of Canada Bond	01/06/87	13 %	100,000
			$1,149,200

SCHEDULE 2

LAW FOUNDATION

SCHEDULE OF GRANTS AUTHORIZED BUT NOT PAID

JUNE 30, 1984

Law Reform Commission	$ 36,551
Director of Continuing Legal Education	36,000
Court House Libraries	160,000
Public Legal Education Association	110,000
College of Law Endowment Fund	100,000
Book - Reform of Canada's Constitution	2,936
Annotated Rules of Court	58,300
Court of Appeal Rules Revision	57,613
Canadian Institute for the Administration of Justice	3,000
	$ 564,400

SCHEDULE 3

LAW FOUNDATION

SCHEDULE OF GRANTS AUTHORIZED

YEAR ENDED JUNE 30, 1984

Law Reform Commission	$ 60,000
Public Legal Education Association	220,000
Saskatchewan Business Corporations Book	2,686
Canadian Bar Review	5,000
National Council on Legal Research and Education in Canada	3,450
Director of Continuing Legal Education	75,000
Director of Continuing Legal Education - computer	16,000
Court House Libraries	400,000
College of Law Development Fund	29,000
Native Law Centre	14,000
Canadian Law Information Council	15,000
Canadian Law Teaching Clinic	2,500
Canadian Bar Foundation	7,500
Canadian Institute for the Administration of Justice	3,000
American Bar Association C.C.C.	759
Book - Reform of Canada's Constitution	2,936
Saskatoon Sexual Assault Centre	5,000
College of Law Endowment Fund	100,000
	$ 961,831

POOR

QUALITY

ORIGINAL